

**Eighth Meeting of
the Business Facilitation Advisory Committee**

***Agenda Item 3(a) : Report on the work of the
Pre-construction Task Force***

Purpose

This paper reports on the work of the Pre-construction Task Force (PCTF) since the last Business Facilitation Advisory Committee (BFAC) meeting on 25 February 2008.

Work Progress of the PCTF

Review of the processing of lease modification and land exchange applications (the Consultancy)

2. The Consultancy was commissioned by the Economic Analysis and Business Facilitation Unit with a view to streamlining the approval processes. Apart from the quick-wins implemented in 2007 to ensure timely responses to circulation of lease modification / land exchange cases from stakeholding departments, the Lands Department (LandsD) has already set up a dedicated team in the District Lands Office of the Hong Kong West & South District (DLO(HKW&S)) to process all applications for lease modification and land exchange in this District, with a view to further expediting the overall process.

3. Besides, the LandsD has concurrently launched the trial scheme of centralisation of premium valuation process in the same District. The LandsD Headquarters will conduct the premium valuation according to the development proposal together with relevant local development information provided by the DLO(HKW&S). It is anticipated that the overall valuation process could be speeded up.

4. The LandsD would assess the effectiveness of the dedicated team approach and the centralisation of premium valuation. It will then consult the trade for the way forward. The PCTF would review the progress, hoping that

the success of these trial runs would lead to extension of the same arrangement to other Districts.

Recommendations of the Working Group on Review of Premium Valuation Process (Working Group)

5. After four meetings of the Working Group, the recommendations have been sent to the Independent Commission Against corruption (ICAC) for comments, particularly the proposed negotiation process of premium value in order to save the need for the formal appeal proceedings.

6. The LandsD is still considering the Working Group's proposals in the light of the ICAC's comments which requires proper documentation in all cases. Despite this, the LandsD has strong reservation on any premium negotiation immediately after the first valuation conference because the current procedure requires that the decision has to be signed after the meeting and the premium offered to the applicant in writing by the DLO. Any premium negotiation should only take place after the DLO's offer.

7. Besides, the LandsD has recently established a regular communication forum, as recommended by the Working Group, with the Real Estate Developers Association of Hong Kong and the Hong Kong Institute of Surveyors with a view to expediting the premium assessment process. Key valuation matters will also be discussed at the forum to narrow the gap between the LandsD and the developers on premium value.

8. As regards the recommendation of presentation by the applicant at the Valuation Conference for first premium assessment cases, the LandsD has counter-proposed that in addition to the applicant's submissions, the applicant might wish to summarise all important points in one to two sheets of A4 papers for the attention of the Valuation Conference. Members of the PCTF have concern whether the applicant's views could be fully presented.

Visual Impact Assessment (VIA)

9. The PCTF took over the subject of VIA from the dissolved Town Planning Task Force. At the last PCTF meeting, the Planning Department presented the revised guidelines of VIA and explained the rationale for and criteria of demanding a VIA in planning applications.

Way forward

10. Members are invited to note the work progress of the PCTF.

Economic Analysis and Business Facilitation Unit,
Financial Secretary's Office
June 2008